

VIA: Air
(WHICH MAY BE BY AIR MAIL)

DISPATCH NO. H01-4-2678

SECRET

TO : Chief, Foreign Division M
FROM : Chief of Station, Farlarhus

DATE: 29 JUL 1950

SUBJECT: GENERAL: Operational
SPECIFIC: General ZAKO

DOCUMENT MICROFILM CENTER
SERIAL 2440

REF: WASH-8034, INTL-821

Hungarian in Act 17-11-1950

1. General ZAKO must indeed be active in intelligence, for the very week that WASH-8034 arrived, we received a routine and unsolicited memorandum from OFFSPRING on ZAKO's activities for the French IS. (The information comes from General Agency "A", and is dated 16 June 1950.) According to the report, ZAKO engaged himself to work for the French IS and made pertinent arrangements in Paris. However, this activity does not meet with the approval of ZAKO's closest associates in the MHBK; Colonel NADAS and Captain KOEFOPAI, as well as other officers close to ZAKO, dislike his doing intelligence work on the grounds that, as leader of the MHBK, he should not enter into unilateral obligations for one power. The report also goes on to state that ZAKO's intelligence assistant (replacing the murdered Attila KOVACS) is one Captain BERTOTHY, who came from Severie to take over the post. BERTOTHY is further said to have no experience in the intelligence field. (Neither FGB nor OFFSPRING have any additional information on this character.)

2. One must assume that the industrious Hungarian wing of "A" will continue to report on the activities of ZAKO, but it is not clear here if information of the type and general nature in the paragraph above would be enough to blow any operation of the type contemplated in WASH-8034. As for operational crossed wires, up to now OFFSPRING's Hungarian projects (51, 74, 76 and 45) have not supplied information of the type offered by ZAKO. A number of reports have been submitted about Soviet troops and troop movements in Hungary, and about railroad lines in Hungary only. One agent has recently penetrated into the Carpatho-Ukrainian area to recruit agents to report about the Russia-Hungarian border area. Another, documentary project (70) has furnished a number of photostats referring to Soviet Army papers, Soviet census statistics, army strength, personal history statements, etc. However, as regards the other projects listed above, actual penetration into the USSR is still distant, and there would seem to be no conflict with ZAKO as duplication of information received.

Karl not: H6LA2412

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